



Maine News

U.S. Small Business Administration

September 2005

From the Director's Desk

Dear Friend of Small Business:

As we come to the end of this current fiscal year we, at the Maine SBA, want to thank you for your partnership and dedication to our state. We are positioned to surpass all access to capital and training and counseling records.

We are looking forward to the challenges of the coming year. Look for top lender awards and SBA community forums and sessions on Government Contracting.

SBA is currently seeking nominations for the 2006 Small Business Awards celebration. Please take time to identify a nominee for the 2006 awards program. In this news letter you will find a letter and a one page nomination form. This is an opportunity for you to recognize those outstanding entrepreneurs and advocates who are the foundation of the Maine economy.

For information on the Maine SBA Awards Program, contact Bonnie Erickson (207-622-8275) at the Maine SBA, or email: bonnie.erickson@sba.gov.

To start the nomination process, use the one-page 2006 Nomination Form contained herein or visit our web site at www.sba.gov/me . From SBA's home page, you will find a link to the selection criteria for each category.

A SBA staff member will work with you and with the nominee to obtain more information and to address the selection criteria for the specific award category.

Sincerely,

Mary E. McAleney
District Director

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BUSINESS START-UP SERIES TO PREMIER ON MPBN

“Starting a Business in Maine” will debut on the Maine Public Broadcasting Network at 8:00 p.m. on Thursday, September 15th. The six-part series will conclude on October 20th. Each program will be a stand-alone piece intended to be a primer on the basics of starting a business in Maine.

The show will focus on actual experiences - the successes and the challenges -- of people who’ve overcome the obstacles to starting and operating a successful company in the state.

A portion of the live show will be devoted to taking questions from the viewing audience in real time. Companion materials for each program will be available for viewers by mail and online at MPBN’s Web site at www.mpbn.net.

Hosting the show will be Lou McNally who also hosts MPBN’s “Made in Maine.”

McNally will talk with experienced Maine entrepreneurs and get their perspectives on what they did right and what they might have done wrong. Experts in the field of entrepreneurship will be in the studio to provide the nuts and bolts of what you need to know when establishing your own business.

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|------------------------------------|--|
| September 15th - | Do You Have What it Takes? |
| September 22nd - | Will Your Idea Work? |
| September 29th - | Marketing Your Business |
| October 6th - | Financing Your Business |
| October 13th - | Do You Need a Business Team? |
| October 20th - | Surviving and Growing Your Business |

FMI – www.mpbn.net/business for more information

The SBA, the Maine Small Business Development Center and the Maine Community College System, have collaborated with Maine Public Broadcasting over the past several months to develop this program for Maine’s small businesses and entrepreneurs. Maine SBA staff will participate in the programs and will serve as resources on the phone bank.

SBA Hires staff to serve Cumberland and York Counties

Alden R. Turner has been selected by the SBA to serve as the Senior Area Manager for Cumberland and York counties. Turner is the point of contact for the SBA for the delivery of the entire range of financial assistance and management and technical assistance programs to the small business community in southern Maine. He also serves as the International Trade Officer for Maine.

Prior to joining the SBA, Turner worked for USDA Rural Development. He led community, development, housing and small business financing programs; coordinated the Empowerment Zone/Enterprise Community Program and most recently he served as Assistant to the State Director in the State Office of the USDA Rural Development.

Turner's strong background with numerous federal loan and grant programs will enhance the small business community's opportunity in southern Maine.

Mary McAleney, District Director of the Maine SBA said, "It is so important to have local presence - someone to meet with local lenders and resource partners and to get involved with the local businesses. Alden's energy and leadership will ensure that more southern Maine small business entrepreneurs know how to use SBA to create successful ventures."

Turner resides in Windham with his wife Luanne, children Ethan and Andrea and has a daughter Hillary at Franklin Pierce College.

Turner can be reached by phone at 207-592-5322 or alden.turner@sba.gov.

THE INTERNATIONAL TRADE CORNER

Alden R. Turner, SBA Southern Maine, Senior Area Manager

Upcoming Events for International Trade:

"Essentials of Exporting" – October 13, 2005, at Geiger Brothers, Lewiston, Maine. This afternoon training session, hosted by the Maine International Trade Center, will include sessions on terms of sale and payment, export logistics and export financing. John Joyce, SBA Regional Manager, Export Finance, will present the session on export financing. Another session will be scheduled for late March, 2006, in Bangor, Maine. Visit www.sba.gov/me or www.mainebusinessworks for more information.

SBA's export financing tools combined with the technical and market development expertise of SCORE and the Maine SBDC can assist you in developing new export markets or in helping you expand present markets you sell to.

Contact Alden Turner at the SBA for more information on export financing programs. Alden.turner@sba.gov or 592-5322

MAINE SMALL BUSINESS STORIES

We are looking for businesses that have received SBA assistance using the SBA loan programs, the Maine Small Business Development Center, SCORE or the Women's Business Center to be recognized at the local level. This recognition may be an onsite visit by the Regional Administrator, Charles Summers, a story written for the local print media or a "SBA Spotlight" article for publication. To recommend a business, simply e-mail the business name, contact, and phone number to: bonnie.erickson@sba.gov. That's it, we'll take care of the rest.

HERB THOMAS APPOINTED SBA AREA MANAGER OR NORTHERN AND EASTERN MAINE

"I'm pleased to announce the selection of Herb Thomas to serve as Senior Area Manager for the SBA in Northern and Eastern Maine," stated Mary McAleney, District Director of the Maine SBA. "Herb will work closely with lenders and resource partners to ensure they can use the SBA to assist local entrepreneurs. In a state as large as Maine, it is extremely important that SBA staff is located throughout Maine." added McAleney.

Thomas will be the SBA's primary contact in the counties of: Penobscot, Piscataquis, Aroostook, Washington and Hancock. Joining the SBA in 1987, he transferred from the Washington D.C. District Office to the Maine Office in 1994. Since 1994, Thomas, a finance officer, has provided financial expertise to Maine lenders. Familiar with all of SBA's programs and services, including the Certificate of Competency program, he will provide northern Maine businesses the tools necessary to start and grow their business.

Thomas received his MBA from Stanislaus State University in Turlock, California, and served in the Peace Corp from 1984 – 1986 in Papua, New Guinea.

Herb and his wife Sari reside in Belgrade with daughters Heather, Lindy and Cecilia. Heather is in the first violin section of the New England Conservatory Preparatory School Youth Philharmonic Orchestra.

Thomas can be reached by phone at 207-592-4522 or herbert.thomas@sba.gov.

TOP 10 BENEFITS OF THE SBA 504 LOAN PROGRAM

- 1. Benefits your customer!** Long-term, fixed rate SBA note minimizes average cost.
Will improve cash flow.
- 2. Collateralized!** Lender holds a senior lien position on the project collateral.
Generally, a 50% loan to value relationship.
- 3. New Customers!** Enables lender to broaden its customer base, increasing the potential for future relationships and the sale of additional products. Lender may obtain or maintain a customer whose deposits will grow as business succeeds.
- 4. Not Just Real Estate!** 504's are useful for many types of projects, such as capital equipment, start-ups, leasehold improvements and change of business ownership.
- 5. No Fee Restrictions!** SBA imposes no restriction on lender interest rates and fees.
- 6. Meet CRA Requirements!** Tangible displays of lender's involvement in community development and job creation while meeting CRA requirements in a secured project.
- 7. Sell the Loan!** Active secondary market provides lender an opportunity to increase profits.
- 8. Low Down Payment!** Customer needs 10-20% of project instead of normal 25-30%.
- 9. No Additional Paperwork for the Bank!** Certified Development Company handles SBA paperwork.
- 10. Make Bigger Loans!** 504 loans enable some lenders to participate in larger projects, where lending limits may otherwise be an issue.

If you have questions on the SBA 504 Loan Program contact Helen Brimigion at 622-8394 or helen.brimigion@sba.gov.

Certified Development Companies in Maine

Coastal Enterprises, Inc.
Po Box 268
Wiscasset, ME 04578
Steve Lovejoy/Jere Shaw (207) 772-5356
Al Moroney/Suzanne Umland (207) 882-7552

Eastern Maine Development Corporation
PO Box 2579
Bangor, ME 04401
John Sheehan/Carla Booth (207) 942-6389

New England Business Finance
9 Deering Street
Portland, ME 04101
Jim Maxwell/Scott Gardiner (207) 773-5988

Demand for SBA-backed loans continues at record pace

Small businesses continued to turn to the U.S. Small Business Administration for commercial credit in record numbers through the first three quarters of fiscal year 2005.

Over 71,000 small businesses secured SBA backing under the agency's flagship 7(a) program through the first nine months of the fiscal year, a 21 percent increase over the same period last year. The loans total \$11.1 billion, 19.5 percent more than in the same period last year.

The gains also reflected in the SBA's 504 loan program. Through the first nine months of the fiscal year the 504 program issued 6,434 loans worth \$3.44 billion, more than 6 percent ahead of the same period last year.

SBA AND JUNIOR ACHIEVEMENT WORLDWIDE LAUNCH JOINT TEEN WEB SITE

A new web site targeting young entrepreneurs who want to start, run or grow their own businesses was recently announced.

The new Web site, Mind Your Own Business at www.mindyourownbiz.org, is designed to support the growing interest in entrepreneurship among teens, and serves as a small business portal for youth entrepreneurs, providing necessary resources and information essential in realizing their dreams of business ownership.

The SBA has revamped its teen web site Teen Business Link, at www.sba.gov/teens, to include video, animation and interactive sound clips. Teen Business Link lays the foundation for the next generation of entrepreneurs and provides tools and resources on small business basics for the young entrepreneurs.

The U.S. Small Business Administration, established in 1953, provides financial, technical and management assistance to help Americans start, run, and grow their businesses. With a portfolio of business loans, loan guarantees and disaster loans worth more than \$45 billion, the SBA is the nation's largest single financial backer of small businesses. Last year, the SBA offered management and technical assistance to more than one million small business owners. The SBA also plays a major role in the government's disaster relief efforts by making low-interest recovery loans to both homeowners and businesses. America's 23 million small businesses employ more than 50 percent of the private workforce, generate more than half of the nation's gross domestic product, and are the principal source of new jobs in the U.S. economy.



America's Small Business Resource

68 Sewall St., Room 512
Augusta, ME 04330

Phone: 207-622-8274
Fax: 207-622-8277

We're on the Web!

www.sba.gov/me



MAINE RESOURCE PARTNERS

 Dedicated to helping
Maine's small businesses
succeed, we are the Maine
SBDCC...
www.mainesbdc.org

~ Counselors to America's
Small Business ~ ~ Service
Corps of Retired Executives 
www.scoremaine.org

WOMEN'S BUSINESS CENTER at CEI
WBC - Supporting the growth of Maine's
women-owned businesses at all levels...
www.ceimaine.org/women

Please keep our mailing list current - address corrections are appreciated.



SBA Information Notice

TO: All SBA Employees

CONTROL NO.: 5000-962

SUBJECT: New Versions of Form 4, SBA
Form 4-Schedule A, and
SBA Form 4-I

EFFECTIVE: 8/11/2005

SBA Form 4, (Application for Business Loan), SBA Form 4-Schedule A (Schedule of Collateral), and SBA Form 4-I (Lender's Application for Guaranty or Participation) have been renewed and are available on SBA's website at www.sba.gov/library. Previous versions of these forms are obsolete since they do not contain the changes incorporated in the revised versions. The changes to the forms include the following:

Form 4-I: This form must be completed by the lender for each 7(a) loan application that submits a Form 4. One of the changes to the form is the addition of a block asking the lender to indicate the small business loan applicant's North American Industry Classification System (NAICS) code which identifies each type of small business and is used by SBA to establish size standards for "small" versus "not small." SBA financial assistance programs are only available to business borrowers that are determined to meet SBA's size standards for "small."

Form 4: The existing Form 4 asks for information concerning the applicant. One of the questions is about the applicant's other Government debt. As revised, the instructive language is re-phrased to provide clearer guidance to the applicant about what information to include in this section. We also have revised the instructive language regarding identification of assistance the borrower has received in completing Form 4. Another change in this form is that applicant will no longer be asked whether he or she is a Vietnam Era Veteran but will instead will be asked to indicate whether he or she is a Service Disabled Veteran. Pursuant to Public Law 106-50, SBA must report to Congress on loan activity for Service Disabled Veterans. We also have clarified the questions regarding exporting in order for SBA to better determine the number of businesses assisted by a 7(a) loan that export and the amount of export sales the loan will support. In addition, we have added a question to identify those SBA applicants that have received counseling or training from SBA.

Form 4, Schedule A:

(This is an optional form.) This form as revised requires the lender to list the manufacturer, make, model, etc. of only those personal property items to be taken as collateral that exceed \$5,000 in value.

Previously, it was those items exceeding \$500. Therefore, the detailed listing will not include such items as personal computers, printers and so on and will be far less burdensome.

James E. Rivera
Associate Administrator
For Financial Assistance



U. S. Small Business Administration
Maine District Office
Edmund S. Muskie Federal Building
68 Sewall Street • Room 512
Augusta, ME • 04430
Tel. (207) 622-8274 • Fax (207) 622-8277
www.sba.gov/me

September 9, 2005

Dear Friend of Small Business,

The U. S. Small Business Administration (SBA), Maine District Office, is seeking nominations for the SBA's annual Salute to Small Business. This program provides an excellent opportunity to recognize outstanding entrepreneurs in your community and to say thank you to a small business person for a job well done.

As Marianne Sensale-Guerin, owner of Guerin Associates of Gorham said on receiving the 2005 award, "Being named Small Business Person of the Year for the State of Maine in 2005 was both a surprise and an honor. You can't begin to imagine how I felt being recognized as the National winner! It was nice to see our company and employees recognized for the positive contributions we've made to our community and to the state's economy. Our recognition has reinforced our reputation with our client base, garnered new business and strengthened Guerin Associates. I encourage you to nominate a deserving Maine company for the 2006 Salute to Small Business. It was a wonderful experience."

National Small Business Week will be held in the spring of 2006. The Maine awards will be presented at SBA's Annual Salute to Small Business during the same time frame. Plan to be a part of Maine's small business celebration as we recognize the engine of Maine's economy and celebrate the spirit of entrepreneurship in our state.

The nomination process has been streamlined to make it easier for you. A member of the Maine SBA staff will work directly with each nominator and nominee to assure that the criteria for a complete nomination package is met. This will take some of the burden off you, the nominator.

Attached is a one-page nomination form. Please complete this form and return it by fax or mail to our office. Once we receive this form, you and your nominee will be contacted by your SBA liaison who will work with you to complete the application. If you have any questions, feel free to contact Bonnie Erickson at 622-8275 or at bonnie.erickson@sba.gov.

Sincerely,

A handwritten signature in cursive script, reading "Mary E. McAleny". The signature is written in black ink on a white background.

District Director
(207)622-8386

2006 MAINE SBA SMALL BUSINESS AWARD NOMINATION

Help us recognize outstanding leaders in the small business community.

AWARD CATERGORIES

Check Box ☒

- ☐ **Small Business Person of the Year:** For developing an outstanding, growing business; innovative product(s), increasing jobs, increasing sales, overcoming adversity, and community contributions. Being in business for three or more years is also a prerequisite.
- ☐ **Small Business Exporter of the Year:** Significantly increased export sales and profits, encouraged other firms to export, increased jobs through exports, and innovative products, demonstrated potential.
- ☐ **SBA Young Entrepreneur of the Year:** Owner will not have reached 30th birthday by June 1, 2006, three-year evidence of success in sales and profits, increased jobs, innovative methods of creating markets.
- ☐ **Jeffrey H. Butland SBA Family-Owned Small Business of the Year:** Family owned and operated business which has been passed from one generation to another with at least a 15-year track record.
- ☐ **Woman Owned Business of the Year** – Minimum 5 years in business and must have received SBA assistance through counseling, training, or loans.

Small Business Champions of the Year: Those who promote small business, including volunteering time and services to small business interests and groups, advocating the cause of small business in the legislative process. Advocates may or may not be small business owners.

- ☐ **Minority Small Business Champion**
- ☐ **Women in Business Champion**
- ☐ **Veteran Small Business Champion**
- ☐ **Small Business Journalist**
- ☐ **Financial Services Champion**
- ☐ **Home-based Business Champion** – Those who own or have owned a home-based business and seek improvement in the climate for home-based businesses.

NOMINEE INFORMATION

Nominee _____ Title _____
Company/Organization _____
Address _____ City _____
Zip _____ Phone _____ Fax _____ e-mail address _____
When nominating a business owner, please complete the following: Is the company operating profitably _____
of years of business _____ # of employees _____ annual sales \$ _____ SIC/NAICS code _____

NOMINATOR'S INFORMATION

Nominator Name _____ Title _____
Organization _____
Address _____ City _____
Zip _____ Phone _____ Fax _____ e-mail address _____

Reply by **October 4th, 2005**

FAX this form to: 207-622-8277 or mail it to:
U.S. Small Business Administration
68 Sewall Street, Suite 512
Augusta, ME 04330

For more information, please contact Bonnie Erickson at: (207) 622-8275. Self-nominations accepted. This form may be duplicated. For further consideration, a nomination binder with detailed materials will be requested. SBA will contact the nominator and nominee with details. Thanks for your support!